

# 2011 Property Tax Report

## Franklin County

### with Comparisons to Prior Years



Legislative Services Agency

September 2011

This report describes property tax changes in Franklin County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

#### Comparable Homestead Property Tax Changes in Franklin County

The average homeowner saw a 5.4% tax bill increase from 2010 to 2011.

Homestead taxes in 2011 were still 11.0% lower than they were in 2007, before the property tax reforms.

82.0% of homeowners saw lower tax bills in 2011 than in 2007.

74.9% of homeowners saw tax increases of between 1% and 9% from 2010 to 2011.

The largest percentage of homeowners have seen between a 1% and 19% decrease in their tax bills from 2007 to 2011.

	<u>2010 to 2011</u>		<u>2007 to 2011</u>	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
<b>Summary Change in Tax Bill</b>				
Higher Tax Bill	4,983	90.1%	978	17.7%
No Change	91	1.6%	18	0.3%
Lower Tax Bill	456	8.2%	4,534	82.0%
<b>Average Change in Tax Bill</b>	<b>5.4%</b>		<b>-11.0%</b>	
<b>Detailed Change in Tax Bill</b>				
20% or More	296	5.4%	250	4.5%
10% to 19%	543	9.8%	230	4.2%
1% to 9%	4,144	74.9%	498	9.0%
0%	91	1.6%	18	0.3%
-1% to -9%	225	4.1%	962	17.4%
-10% to -19%	90	1.6%	1,765	31.9%
-20% to -29%	46	0.8%	731	13.2%
-30% to -39%	18	0.3%	490	8.9%
-40% to -49%	22	0.4%	236	4.3%
-50% to -59%	11	0.2%	86	1.6%
-60% to -69%	14	0.3%	71	1.3%
-70% to -79%	13	0.2%	45	0.8%
-80% to -89%	8	0.1%	48	0.9%
-90% to -99%	5	0.1%	26	0.5%
-100%	4	0.1%	74	1.3%
<b>Total</b>	<b>5,530</b>	<b>100.0%</b>	<b>5,530</b>	<b>100.0%</b>

Note: Percentages may not total due to rounding.

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*LOSS OF STATE HOMESTEAD  
CREDIT RAISES HOMEOWNER  
TAX BILLS*

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#### Homestead Property Taxes

Homestead property taxes increased 5.4% on average in Franklin County in 2011. This was slightly more than the state average of 4.4%. Franklin County homestead taxes were still 11% lower in 2011 than they were in 2007, before the big tax reform. The homestead tax increase in 2011 was mostly due to the phaseout of the state homestead credit in 2011. The state homestead credit was 3.8% in Franklin County in 2010. In addition, tax rates were little changed in Franklin County in 2011. Tax rates were relatively low in Franklin, so less than 1% of homeowners received circuit breaker credits.

#### Tax Rates

Property tax rates increased in about three-fourths of Franklin County tax districts with the average rate rising by 1.9%. Changes in tax rates were mixed in Franklin County because a small levy increase and a smaller increase in certified net assessed value. Levies in Franklin County increased by 3.6%. The biggest levy increases were in the Franklin County Community Schools debt service fund and the county general fund. Franklin County's total net assessed value increased 3.7% in 2011. (The certified net AV used to compute tax rates rose by 1.7%.) Homestead residential assessments showed a small increase at 0.3%. Other residential and agricultural net assessments increased by 3.6% and 2.9%, respectively, while business net assessments increased by 12.9%.

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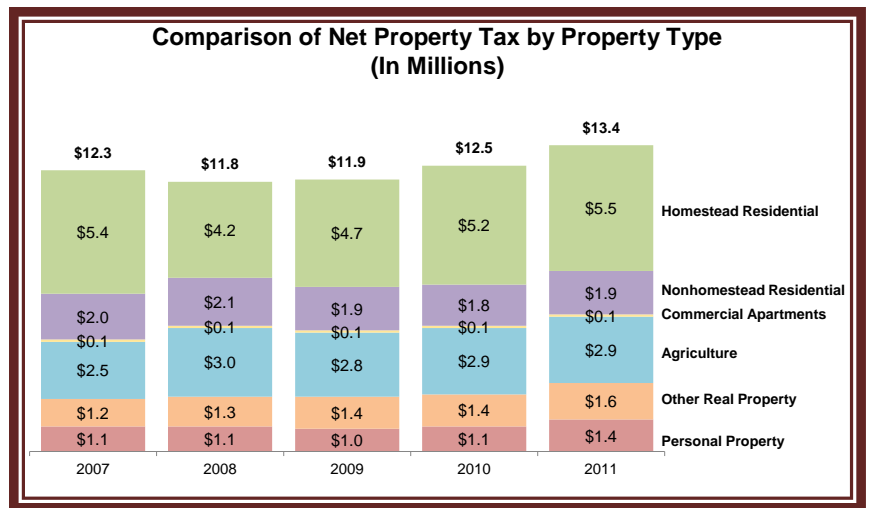
*TAX BILL INCREASES WERE DUE TO RISING*

*NET ASSESSED VALUE*

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### Net Tax Bill Changes - All Property Types

Net tax bills for all taxpayers rose 7.2% in Franklin County in 2011, higher than the statewide increase of 2.8%. Other residential property, which includes smaller rentals and second homes, saw net tax bills increase by 4.2%. Tax bills for commercial apartments increased 2.3%. Business tax bills - which include commercial, industrial and utility buildings, land and equipment – increased substantially, by 18.1%. Since Franklin tax rates changed very little, these increases were due to rising net assessed values and the loss of the state homestead credit. However, agricultural tax bills rose only 0.9%, despite the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011.



### Tax Cap Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

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*TAX CAP CREDITS INCREASED IN  
2011, BUT REMAIN VERY LOW*

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Total tax cap credit losses in Franklin County were \$18,185, or 0.1% of the levy. This was much less than the state average loss rate of 9.2% and lower than the median value of 3.8% among all counties. Tax rates are the main determinant of tax cap credits, and Franklin County's tax rates were much lower than the state median.

Most of the tax cap credits were in the 2% nonhomestead/farmland category; most of the rest were in the 1% homestead and elderly categories. Franklin had no district tax rates above \$3 per \$100 assessed value, so no business property in the 3% tax cap category qualified for credits. The largest percentage loss was in the town of Brookville, though this loss was still less than 1% of the town's levy. The largest dollar losses were in Brookville Town, Franklin County Community Schools, and the county unit.

Franklin County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$3,054	\$0	\$0	\$0	\$3,054	0.0%
2011 Tax Cap Credits	2,662	10,073	0	5,450	18,185	0.1%
Change	-\$392	\$10,073	\$0	\$5,450	\$15,131	0.1%

Tax cap credits increased in Franklin County in 2011 by \$15,131. The additional credits

represent an added loss of 0.1% of the total tax levy. Most of the increase in tax cap credits was in the 2% tax cap category. This occurred because the tax rate in the Brookville Town taxing district topped \$2 per \$100 assessed value in 2011, making property in the 2% category eligible for tax cap credits for the first time.

### The Effect of Recession

The 2009 recession appears to have had a minimal effect on Franklin County assessments for pay-2011. Gross assessments rose 3.2%, and net assessments rose 3.7%. This assessed value rise prevented the levy increases from raising tax rates in several districts and minimized the increase in others. Franklin County's low rates meant tax cap revenue losses were very small. Franklin County does not have local tax credits funded by local income taxes, so the drop in the income tax distribution had no effect on tax bills.

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*THE 2009 RECESSION HAD  
MINIMAL EFFECTS ON PAY-2011  
PROPERTY TAX REVENUES*

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Property Type	Gross AV 2010	Gross AV 2011	Gross AV Change		Net AV 2010	Net AV 2011	Net AV Change
Homesteads	\$947,744,300	\$956,777,900	1.0%		\$431,372,233	\$432,843,040	0.3%
Other Residential	110,611,500	114,558,100	3.6%		109,457,588	113,451,242	3.6%
Ag Business/Land	222,383,200	228,824,500	2.9%		221,628,462	228,051,154	2.9%
Business Real/Personal	223,531,650	252,454,870	12.9%		177,248,180	200,171,430	12.9%
<b>Total</b>	<b>\$1,504,270,650</b>	<b>\$1,552,615,370</b>	<b>3.2%</b>		<b>\$939,706,463</b>	<b>\$974,516,866</b>	<b>3.7%</b>

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

### Franklin County Levy Comparison by Taxing Unit

Taxing Unit						% Change			
	2007	2008	2009	2010	2011	2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
<b>County Total</b>	18,183,897	20,140,844	12,128,545	12,739,280	13,201,594	10.8%	-39.8%	5.0%	3.6%
State Unit	24,150	26,073	0	0	0	8.0%	-100.0%		
Franklin County	3,042,807	3,136,346	2,766,897	2,812,303	2,979,867	3.1%	-11.8%	1.6%	6.0%
Bath Township	8,604	8,760	9,234	9,423	10,048	1.8%	5.4%	2.0%	6.6%
Blooming Grove Township	12,310	12,678	13,785	14,267	14,910	3.0%	8.7%	3.5%	4.5%
Brookville Township	40,404	41,280	43,661	45,789	49,769	2.2%	5.8%	4.9%	8.7%
Butler Township	7,940	7,787	8,469	8,737	9,158	-1.9%	8.8%	3.2%	4.8%
Fairfield Township	8,554	8,553	9,402	9,748	9,999	0.0%	9.9%	3.7%	2.6%
Highland Township	13,274	13,364	14,352	14,847	15,542	0.7%	7.4%	3.4%	4.7%
Laurel Township	15,236	15,790	17,253	17,722	18,380	3.6%	9.3%	2.7%	3.7%
Metamora Township	14,931	15,015	16,282	16,737	17,347	0.6%	8.4%	2.8%	3.6%
Posey Township	16,117	6,207	6,869	7,013	7,981	-61.5%	10.7%	2.1%	13.8%
Ray Township	20,648	19,835	21,877	20,150	20,621	-3.9%	10.3%	-7.9%	2.3%
Salt Creek Township	8,221	8,416	9,394	8,629	10,311	2.4%	11.6%	-8.1%	19.5%
Springfield Township	16,084	16,559	17,847	18,396	13,491	3.0%	7.8%	3.1%	-26.7%
Whitewater Township	32,096	31,322	34,654	35,470	37,671	-2.4%	10.6%	2.4%	6.2%
Batesville Civil City	457,023	494,151	472,543	494,112	484,082	8.1%	-4.4%	4.6%	-2.0%
Cedar Grove Civil Town	3,113	3,383	2,843	2,841	2,839	8.7%	-16.0%	-0.1%	-0.1%
Laurel Civil Town	28,684	30,458	32,431	33,825	37,786	6.2%	6.5%	4.3%	11.7%
Mt. Carmel Civil Town	0	0	0	0	0				
Oldenburg Civil Town	120,190	121,053	117,690	129,322	135,417	0.7%	-2.8%	9.9%	4.7%
Brookville Civil Town	499,927	494,482	525,302	569,974	608,544	-1.1%	6.2%	8.5%	6.8%
Franklin County Community School Corporation	9,402,754	10,811,711	5,171,994	5,504,281	5,955,163	15.0%	-52.2%	6.4%	8.2%
Batesville Community School Corporation	3,342,308	3,625,431	1,725,543	1,876,654	1,818,744	8.5%	-52.4%	8.8%	-3.1%
Union County School Corporation	347,333	478,175	347,272	341,391	363,759	37.7%	-27.4%	-1.7%	6.6%
Whitewater Valley Community Library	468,269	469,170	495,019	494,181	330,750	0.2%	5.5%	-0.2%	-33.1%
Batesville Public Library	121,230	129,690	128,565	130,253	131,751	7.0%	-0.9%	1.3%	1.2%
Southwest Franklin County Fire Territory	0	0	0	0	0				
Southeastern Indiana Solid Waste Mgt. District	111,690	115,155	119,367	123,215	117,664	3.1%	3.7%	3.2%	-4.5%

# Franklin County 2011 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	Credit Rates						Net Tax Rate, Homesteads
			LOIT PTRC	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
24001	Bath Township	1.6631	--	--	--	--	--	--	1.6631
24002	Blooming Grove Township	1.3394	--	--	--	--	--	--	1.3394
24003	Brookville Township	1.3254	--	--	--	--	--	--	1.3254
24004	Brookville Town	2.0524	--	--	--	--	--	--	2.0524
24005	Butler Township-East	1.2349	--	--	--	--	--	--	1.2349
24006	Butler Township-West	1.0386	--	--	--	--	--	--	1.0386
24007	Fairfield Township	1.3346	--	--	--	--	--	--	1.3346
24008	Highland Township	1.2449	--	--	--	--	--	--	1.2449
24009	Cedar Grove Town	1.3031	--	--	--	--	--	--	1.3031
24010	Laurel Township	1.3541	--	--	--	--	--	--	1.3541
24011	Laurel Town	1.9302	--	--	--	--	--	--	1.9302
24012	Metamora Township	1.3488	--	--	--	--	--	--	1.3488
24013	Posey Township	1.3327	--	--	--	--	--	--	1.3327
24014	Ray Township	1.1107	--	--	--	--	--	--	1.1107
24015	Batesville City	1.6472	--	--	--	--	--	--	1.6472
24016	Oldenburg Town	1.4440	--	--	--	--	--	--	1.4440
24017	Salt Creek Township-North	1.2432	--	--	--	--	--	--	1.2432
24018	Salt Creek Township-South	1.0469	--	--	--	--	--	--	1.0469
24019	Springfield Township	1.2399	--	--	--	--	--	--	1.2399
24020	Mt Carmel Town	1.2325	--	--	--	--	--	--	1.2325
24021	Whitewater Township	1.2462	--	--	--	--	--	--	1.2462
24022	Ray Township Fire Territory	1.1668	--	--	--	--	--	--	1.1668
24023	Salt Creek South Fire Territory	1.1102	--	--	--	--	--	--	1.1102
24024	Butler West Fire Territory	1.1025	--	--	--	--	--	--	1.1025
24025	Butler East Fire Territory	1.2988	--	--	--	--	--	--	1.2988
24026	Salt Creek North Fire Territory	1.3065	--	--	--	--	--	--	1.3065

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

### Franklin County 2011 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Circuit Breaker as % of Levy	
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total	Levy	
<i>Non-TIF Total</i>	2,662	10,073	0	5,450	18,185	13,201,594	0.1%
<i>TIF Total</i>	0	0	0	0	0	0	
<i>County Total</i>	2,662	10,073	0	5,450	18,185	13,201,594	0.1%
Franklin County	404	1,529	0	1,110	3,043	2,979,867	0.1%
Bath Township	0	0	0	1	1	10,048	0.0%
Blooming Grove Township	0	0	0	4	4	14,910	0.0%
Brookville Township	22	84	0	26	132	49,769	0.3%
Butler Township	0	0	0	1	1	9,158	0.0%
Fairfield Township	0	0	0	4	4	9,999	0.0%
Highland Township	0	0	0	8	8	15,542	0.1%
Laurel Township	0	0	0	2	2	18,380	0.0%
Metamora Township	0	0	0	11	11	17,347	0.1%
Posey Township	0	0	0	4	4	7,981	0.1%
Ray Township	0	0	0	8	8	20,621	0.0%
Salt Creek Township	0	0	0	3	3	10,311	0.0%
Springfield Township	0	0	0	2	2	13,491	0.0%
Whitewater Township	0	0	0	8	8	37,671	0.0%
Batesville Civil City	0	0	0	173	173	484,082	0.0%
Cedar Grove Civil Town	0	0	0	2	2	2,839	0.1%
Laurel Civil Town	0	0	0	5	5	37,786	0.0%
Mt. Carmel Civil Town	0	0	0	0	0	0	
Oldenburg Civil Town	0	0	0	65	65	135,417	0.0%
Brookville Civil Town	953	3,606	0	707	5,266	608,544	0.9%
Franklin County Community School Corp	1,157	4,379	0	2,499	8,035	5,955,163	0.1%
Batesville Community School Corp	0	0	0	511	511	1,818,744	0.0%
Union County School Corp	0	0	0	37	37	363,759	0.0%
Whitewater Valley Community Library	110	415	0	168	692	330,750	0.2%
Batesville Public Library	0	0	0	47	47	131,751	0.0%
Southwest Franklin Co. Fire Terr	0	0	0	0	0	0	
Southeastern Indiana Solid Waste Mgt Dist	16	60	0	44	120	117,664	0.1%

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

#### Circuit Breaker Credit Types:

*Homesteads* are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

*Other Residential/Farmland* includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

*All Other Real/Personal* is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

*Elderly* includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.